

COASTAL CONSERVANCY

Staff Recommendation
June 15, 2016

SALINAS RIVER MANAGEMENT

Project No.17-008-01

Project Manager: Tom Gandesbery

RECOMMENDED ACTION: Authorization to disburse up to \$1,000,000 to the Monterey County Water Resources Agency to undertake technical studies to support development of a Salinas River Management Program.

LOCATION: Salinas, Monterey County

PROGRAM CATEGORY: Climate Change and Integrated Coastal and Marine Resources Protection

EXHIBITS

Exhibit 1: [Map](#)

Exhibit 2: [Project Map and Photos](#)

Exhibit 3: [Project Letters](#)

RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31111, 31113 and 31220 of the Public Resources Code:

“The State Coastal Conservancy hereby authorizes the disbursement of up to one million dollars (\$1,000,000) to the Monterey County Water Resources Agency to undertake technical studies to support development of a Salinas River Management Program, subject to the following condition that prior to disbursement of funds, RCD shall submit for review and approval by the Executive Officer of the Conservancy a work program, including tasks, schedule and budget; all contractors to be employed for the project; and evidence that all necessary landowner access agreements and permits have been secured.”

Staff further recommends that the Conservancy adopt the following findings:

“Based on the accompanying staff report and attached exhibits, the State Coastal Conservancy hereby finds that:

1. The proposed authorization is consistent with Chapters 3 and 5.5 of Division 21 of the Public Resources Code, Sections 31111, 31113 and 31220 regarding funding technical studies, climate change impacts and integrated coastal and marine resources, respectively.
 2. The proposed project is consistent with the current Conservancy Project Selection Criteria and Guidelines.”
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PROJECT SUMMARY:

Staff recommends providing up to \$1 million to the Monterey County Water Resources Agency (MCWRA) to undertake technical studies to support development of a Salinas River Management Program. The proposed project would be funded with an appropriation to the Conservancy specifically for MCWRA’s work on the Salinas River (See “Project Financing” section, below).

The Salinas River is the largest river system in the central coast. Environmental conditions within the watershed provide some of the most fertile and productive agricultural land on the West Coast, generating billions of dollars for the regional economy. However, this intensive agriculture has also had numerous negative impacts on the River including removal of riparian vegetation, ad-hoc bank stabilization and flood control, groundwater withdrawal, polluted irrigation drainage, spread of invasive plants and gravel extraction. The Salinas River Lagoon is a small bar-built estuary that faces additional challenges, including poor water quality and flooding of adjacent agricultural fields and roads. The MCWRA breaches the sandbar to alleviate flooding but in doing so raises questions about impact to the resident and migrating fish species.

The MCWRA operates Nacimiento and San Antonio Reservoirs; the Salinas River Diversion Facility (SRDF) located near Marina CA; and is the flood control agency for most of Monterey County. There is a recognized need by the MCWRA for the development of a Salinas River Management Program that will address MCWRA facilities and operations as well as system-wide issues such as flood risk reduction, threatened and endangered species management, water supply operations, natural resource conservation, and federal and state Endangered Species Act compliance.

The goals of the proposed project are to:

- Identify long-term solutions for management of the Salinas River that include flood reduction, water resources and habitat management for threatened and endangered species.
- Investigate the Salinas River Lagoon for the potential of reducing flooding on productive agricultural lands in the vicinity.

- Identify potential mitigations and solutions to steelhead migrations issues in the Salinas River corridor utilizing existing management efforts and future projects.
- Develop an outline for a long-term management strategy for the Salinas River within Monterey County that meets a variety of multi-benefit management goals.
- Continue implementation of the multi-benefit Salinas River Stream Maintenance Program (SRSMP) including documenting effectiveness for physical and biological attributes of the SRSMP to inform long-term planning.

The MCWRA will develop, review, and analyze a large amount of data to support the proposed project, specifically it will:

- Conduct physical assessments in a portion of the maintenance areas to document geomorphic conditions, how conditions change over time, and test new technologies for physical monitoring of the river channel. Based on stream flow and design flows, assess flood risk reduction effectiveness of the SRSMP. The multi-benefit SRSMP seeks to balance sustained and improved riparian habitat with annual flood maintenance in the Salinas River. The SSRMP accomplishes this by constructing secondary channels that mimic historical channel braiding, focusing on *Arundo* removal for mitigation, replanting of natives in quality habitat areas and avoidance of key habitats including wetlands and older successional riparian habitat.
- Analyze current conditions in the Salinas River system, including the lagoon, taking into account current data, literature, and models and provides for incorporation of new data. This analysis would account for a variety of conditions in a water year as well as current water operations. This assessment will make use of current models, including the SRWMP hydrologic model and groundwater modeling, and will take into account existing projects and plans as well as those in development.
- Perform a data gap assessment of the Salinas River system to identify additional studies needed to complete for the Management Program. These studies will provide additional review for: (i) assumptions regarding physical or biological conditions in the system that have yet to be developed specific to the Salinas River system; (ii) projects that might be able to be conducted in the short term, which provide benefit to the system; and (iii) analysis of landowner/operator opportunities to engage in further voluntary conservation planning.
- Initiate a Technical and Design Committee to receive and review the current conditions analysis. This will include agency staff, technical consultants, landowners and operators on the River, and other stakeholders.

Finally, MCWRA will develop a management strategy to meet the goals and objectives for the system with flexibility. The strategy will clearly define the co-benefits, outline incentives for participation by stakeholders, and be compatible with existing land and water rights and uses.

The MCWRA is responsible for a wide range of activities along the Salinas River including flood management and water supply. It has led recent efforts to develop a long-term management plan for the watershed and is the appropriate entity to undertake this proposed project.

Site Description: The Salinas River watershed is the third largest in California. It begins 4,000 feet above sea level, in the La Panza Range near Santa Margarita in San Luis Obispo County and drains a 4,200 square mile area. It flows north over 175 miles from its headwaters and 110 miles within Monterey County, emptying into the Monterey Bay. The proposed project area consists of 95 river miles of the river's main-stem as well as several tributaries and the lagoon. (Exhibit 2)

The Salinas River Valley is a fluvial (river-formed) valley that flows to the northwest or 'up' along the principal axis and length of the valley. The valley was named during the late 18th-century Spanish colonial Alta California period, and in Spanish *salina* is the term for a salt marsh, salt lake, or salt pan. Near its opening to the ocean, the river had brackish tule ponds in broad depressed areas, though nearly all historically low wetlands areas were drained and developed for farming in the 19th Century. The valley begins south of San Ardo framed by the central inner California Coast Ranges and continues north-westward continuously defined on the west by the Santa Lucia Range, on the east by the Gabilan Range, to its end and the river's mouth at the Monterey Bay (Exhibit 2). The valley lends its name to the geologic province in which it is located, the Salinian Block. Major cities along the river valley include King City, Soledad, Salinas, and Castroville.

Agriculture dominates the economy of the valley. Promoters call the Salinas Valley "the Salad Bowl of the World" for the production of lettuce, broccoli, peppers and numerous other crops. Strawberries, lettuce, tomatoes, and spinach are the dominant crops in the valley. Water in the upper region of the river is managed with two water supply reservoirs, Nacimiento and San Antonio, both operated by MCWMA. These store and release water for groundwater recharge, flood control and farming. Agricultural wells access the groundwater to irrigate about 275,000 acres (1,110 km²) of fruits and vegetables and to supply the valley cities. The Salinas River itself is a sand river, so water appears on the surface only during heavy rains or when water is released from the upstream reservoirs. Increased demand near the mouth of the valley has resulted in seawater intrusion so MCWMA and the regional sanitation agency now operate a sophisticated water recycling and groundwater injection system.

Environmental conditions within the watershed provide some of the most fertile and productive agricultural land in the West Coast. Agriculture in Monterey County contributes a total of \$8.1 billion to the local economy, including:

- \$5.7 billion in direct economic output, which represents 18.5% of the county's total direct economic output.
- \$2.4 billion in additional economic output in the form of expenditures by agriculture companies and their employees.

The Salinas River and its lagoon is designated critical habitat for federally-threatened steelhead trout. The lagoon is also habitat for federally-endangered tidewater goby and the beach area is designated critical habitat and breeding grounds for the federally-threatened Western Snowy Plover. Other species with the potential to occur in the Salinas River corridor and lagoon include:

- California Red-Legged Frog – federally listed as threatened and a California Species of Special Concern

- California Tiger salamander – State and federally listed as threatened
- Least Bell's Vireo – State and federally listed as endangered
- San Joaquin kit fox – federally listed as endangered, State listed as threatened
- Bank swallow – State listed as threatened
- Smith's blue butterfly – federally listed as endangered
- Southwestern blue butterfly- federally listed as endangered

Project History: The Monterey County Water Resources Agency (MCWRA) held a series of public workshops in late fall of 2013 to gather input for a long term Salinas River Management Plan that would have multiple benefits that include flood reduction, habitat restoration and management, water conservation and continuing efforts to halt seawater intrusion to the coastal aquifer. The one consistent theme from the public during these meetings was that local stakeholders should be the ones to determine the contents of a plan. The strategy that evolved implements a comprehensive, phased approach that encompasses a range of options.

A first step in the phased approach was the Salinas River Stream Maintenance Program (SRSMP) that provides flood reduction benefits, habitat restoration and enhancement to 95 miles of the Salinas River upstream of the Salinas River Lagoon. That project, which began implementation in 2016, is a partnership of landowners (the Salinas River Channel Coalition), The Nature Conservancy, the Resource Conservation District of Monterey County and the Grower-Shipper Association of the Central Coast. The Conservancy assisted in the development of the SRSMP during the planning phase by funding a two-dimensional hydrodynamic model through the through its Integrated Watershed Restoration Program (IWRP) and later through a \$330,000 Climate Ready grant to The Nature Conservancy for planning, design, and permitting of the SRSMP.

Concurrently with development of the SRSMP, MCWRA established a Salinas River Lagoon Working Group consisting of landowners, federal and state regulatory agencies, environmental groups and local organizations to collaborate on solutions for the issues related to the lagoon. The next steps in this approach are to continue to implement the SRSMP and address the multitude of issues in the Salinas River, the lagoon and the Old Salinas River. This regional working group, which includes farming interests and landowners, will be leveraged as a review body for this proposed project.

PROJECT FINANCING

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|----------------------------|--------------------|
| Coastal Conservancy | \$1,000,000 |
| Project Total | \$1,000,000 |

The source of funding for this proposed project is from an appropriation to the Conservancy in fiscal year 2016/17 from the General Fund. That appropriation specifically is for a grant to the Monterey County Water Resources Agency to initiate efforts to do any of the following in the Salinas River: (a) assist in the removal of excess vegetation and trash; (b) increase the efficiency of instream flow using sediment and vegetation management strategies; or (c)

support the development and implementation of long-term management policies. The proposed project will support the development and implementation of a long-term management plan and thus is consistent with the appropriation.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

The proposed project would be undertaken pursuant to the Conservancy's enabling legislation, Division 21 of the Public Resources Code (PRC); in particular, Chapter 3, PRC Sections 31111, regarding funding technical studies and 31113, regarding climate change; and Chapter 5.5, PRC Section 31220, regarding integrated coastal and marine resources protection.

PRC Section 31111 provides that the Conservancy may fund feasibility studies through grants to public agencies. Consistent with this section, the proposed project will provide funding for feasibility studies through a grant to the MCWRA, a public agency.

PRC Section 31113 (a) authorizes the Conservancy to undertake projects that address the impacts and potential impacts of climate change on resources within its jurisdiction, Pursuant to Section 31113(b), the Conservancy is authorized to award grants to nonprofit organizations and public agencies to undertake projects that reduce greenhouse gas emissions, address extreme weather events, sea level rise, storm surge, beach and bluff erosion, salt water intrusion, flooding, and other coastal hazards that threaten coastal communities, infrastructure, and natural resources. Consistent with Section 31113, the proposed project will award a grant to MCWRA, a public agency, to reduce the potential for and storm induced flooding of agricultural and resource lands as a result of sea level rise and other climate change related hazards at the Salinas River Lagoon.

PRC Section 31220(a) authorizes the Conservancy to undertake a project or award a grant for coastal watershed and living marine resources protection and restoration projects that meet one or more of the criteria of Section 31220(b). The proposed project will help achieve the objectives of the following subsections: (b)(2) protect and restore fish and wildlife habitat within a coastal watershed; (b)(6) restore sensitive watershed lands; and (b)(7) reduce the impact of population pressures on the coastal resources caused water withdrawals. The proposed project will help achieve these objectives by restoring the creek channel, removing barriers to fish passage and adding vegetative buffers to protect water temperatures within the Salinas River.

Consistent with §31220(a), staff has consulted with the State Water Resources Control Board and the Central Coast Regional Water Quality Control Board in the development of the project to ensure consistency with PRC Section 30915 concerning protection and restoration of water quality of coastal waters.

As Section 31220(c) requires, the proposed project is consistent with the Water Quality Control Plan (Basin Plan) prepared by the regional water quality control board as discussed in detail below under "Consistency with Local Watershed Management Plan/State Water Quality Control Plan," and will include monitoring data and assessment of program effectiveness.

**CONSISTENCY WITH CONSERVANCY'S 2013 STRATEGIC PLAN
GOAL(S) & OBJECTIVE(S), AS REVISED JUNE 25, 2015:**

Consistent with **Goal 5, Objective C** of the Conservancy's 2013-2018 Strategic Plan, the proposed project will complete a plan to improve water quality to benefit coastal and ocean resources.

Consistent with **Goal 5, Objective F** of the Conservancy's 2013-2018 Strategic Plan, the proposed project will complete a plan to improve water quality to benefit coastal and ocean resources.

**CONSISTENCY WITH CONSERVANCY'S
PROJECT SELECTION CRITERIA & GUIDELINES:**

The proposed project is consistent with the Conservancy's Project Selection Criteria and Guidelines, last updated on October 2, 2014, in the following respects:

Required Criteria

1. **Promotion of the Conservancy's statutory programs and purposes:** See the "Consistency with Conservancy's Enabling Legislation" section above.
2. **Consistency with purposes of the funding source:** See the "Project Financing" section above.
3. **Promotion and implementation of state plans and policies:**

This proposed project is consistent with the 2014 *Safeguarding California: Reducing Climate Risk, An update to the 2009 California Climate Adaptation Strategy*. The proposed project seeks to understand the Salinas River SMP demonstration sites to develop strategies to prepare for climate-driven impacts on riparian habitats. It is consistent with the Ocean and Coastal Ecosystems and Resources section that seeks to improve management practices for coastal and ocean ecosystems and resources, increase capacity to withstand and recover from climate impacts, support pilot projects to demonstrate effectiveness of innovative management techniques, and support investment in cost-effective green infrastructure to reduce flood risk and storm water runoff and maximize associated co-benefits.

This proposed project is consistent with the *California @ 50 Million: The Environmental Goals and Policy Report* (2013 Draft) because it "increase[s] ecosystem services and biodiversity" and "increase[s] resilience of natural systems to recover from disruption." The proposed project will also "steward and protect natural and working landscapes" by helping to understand the effects of management activities on upstream and downstream communities and ecosystems as well as reflect the benefits of those ecosystem.

The proposed project is consistent with the *California Water Action Plan* in that it improves flood management using and Integrated Water Management Approach; and in that it protect(s) and restore(s) surface water and groundwater quality, improves data collection and analysis, and provides decision-support tools.

The proposed project implements state and federal species recovery plans, foremost being the *South-Central California Steelhead Recovery Plan*, (National Marine Fisheries Service 2013). The Salinas River is designated a Biogeographic Population Group (BPG) in the Recovery Plan. Specifically, the Recovery Plan calls for development of a water management plan for diversion operations, and development and implementation of a plan to restore natural channel features (SCCCS-4.2 and SCCC-7.1, respectively. Page 9-32). Closely related, the Plan also calls for the development and implementation of a plan for stream bank and riparian corridor restoration (SCCCS-7.3, Page 9-33). All these actions are within the scope of the proposed grant.

4. **Support of the public:** The proposed project has the support of elected officials, community organizations, and government agencies, including State Senator Anthony Canella Assemblymember Anna Caballero and Monterey County Supervisor John Phillips, Grower-Shipper Association of Central California, Salinas River Channel Coalition, The Nature Conservancy, Central Coast Wetlands Group, and The Resource Conservation District of Monterey County. (Exhibit 3).
5. **Location:** The Salinas River is a coastal watershed and a small portion of the proposed project area is within the Coastal Zone (Exhibit 2).
6. **Need:** This project would not be possible without Conservancy funds, as MCWRA has limited resources to undertake watershed-wide planning.
7. **Greater-than-local interest:** The Salinas River is a vitally important regional resource that supports the multi-billion-dollar agricultural economy and provides habitat to a number of species of both state and federal concern. In addition, it is the largest river draining to the Monterey Bay National Marine Sanctuary and water quality conditions in the river can have significant impacts on the Sanctuary. The proposed project will facilitate long-term improvements in the management of the river system.
8. **Sea level rise vulnerability:** The lower portions of the river, including the lagoon, will be impacted by sea level rise. Therefore, sea level rise will be considered in developing a long-term management strategy for the lagoon and lower river.

Additional Criteria

9. Resolution of more than one issue: The Salinas River SMP strives to permit and guide the flood protection activities of landowners as well as facilitate restoration and enhancement of the riparian zone of the river including the goal of eradicating giant reed (*Arundo donax*) from the watershed.
10. Realization of prior Conservancy goals See “Project History” above.
11. Cooperation: Under the SRSMP, landowners, farmers, county water managers and state and federal resource agencies are working together to implement innovative habitat restoration and bank stabilization projects, using a multi-site programmatic approach.

**CONSISTENCY WITH LOCAL WATERSHED MANAGEMENT PLAN/
STATE WATER QUALITY CONTROL PLAN:**

The lower portion of the Salinas River watershed is identified in the *Water Quality Control Plan for the Central Coastal Basin*, March 2016, (“Basin Plan”) published by the Regional Water Quality Control Board, Central Coast Region as “impaired” due to excess fecal coliform bacteria (page 4-126); as well as nitrogen and organophosphate pesticide (page 4-141). The proposed project is consistent with the Basin Plan in that the proposed planning and monitoring may help to manage and control discharge of pollutants to the river and its tributaries. The proposed project will monitor and assess the effectiveness of various riparian restoration practices that may have a positive impact on nitrogen inputs. The proposed project is also consistent with the Basin Plan in that the SRSMP may reduce harmful inputs of sediment to the river by promoting best management practices within the riparian corridor.

COMPLIANCE WITH CEQA:

The proposed project is statutorily and categorically exempt from the California Environmental Quality Act. Title 14 California Code of Regulations (CCR) Section 15262 sets forth a statutory exemption from the requirement to prepare an environmental impact report or negative declaration for the preparation of feasibility and planning documents for future actions that have not yet been approved or funded, provided that environmental factors are considered. 14 CCR Section 15306 exempts projects that fall in the category of basic data collection and resource evaluation activities that do not result in serious or major disturbance to an environmental resource. The proposed project entails preparation of feasibility and planning documents as well as data collection and resource evaluation activities. These activities will inform potential future actions that MCWRA may take that are not yet approved or funded. The proposed project will not have an impact on environmental resources, and the proposed project will consider environmental factors.

Upon approval, staff will file a Notice of Exemption for the project.